Before theFEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of 2002 Biennial Regulatory Review -
Review of the Commission's Broadcast Ownership Rules
and Other Rules Adopted Pursuant to Section 202
of the Telecommunications Act of 1996,
Notice of Proposed Rulemaking,
MM Docket No. 02-277, (rel. Sept. 23, 2002)

To: The Secretary, FCC Commisioners, and Chief, Media Bureau

I am a concerned citizen, a student of communications, and a radio programmer; I have been involved in noncommercial public and community radio for over 10 years. It is from all these standpoints that I write with concern about the Commission•s forthcoming ownership rules review

I am greatly concerned that any modification of the current rules on media ownership will spark a second wave of industry consolidation like we saw after the 1996 Telecommunications Act. Although there were aspects of the Act that included some benefits for citizens and consumers, by and large the lowering of restrictions on ownership, especially in radio, were harmful to local radio markets, pushed local owners out of the market, and decreased overall service to the public.

As it is currently regulated, broadcast media is not a free and open market. This is not a result of ownership rules, but rather due to the licensing structure. Simply, even with sufficient access to capital, not everyone that wishes to operate a radio or broadcast television station may do so. The number of stations that may exist in any given market are artificially limited by the amount of spectrum allotted to these uses by the Federal government. By comparison, provided access to capital, it is much easier to enter into the gas station market, or most other segments of the economy.

Because broadcast licenses are limited by Federal mandate, this is a market that is extremely prone to oligopoly or monopoly conditions. The institution of ownership regulations therefore serves as a correction to this artificial scarcity by enforcing a diversity of ownership that is otherwise difficult or impossible to maintain under existing license availability conditions.

Were the market in broadcast radio and television licenses as open and truly competitive as that for fast-food franchises or other small businesses, then perhaps ownership restrictions would be less necessary. But as it stands, with so few licenses available, further lifting restrictions only creates large, centralized and remote broadcast owners with little direct connection or responsibility to the communities and markets they serve.

CONSOLIDATION IN RADIO

Consolidation in the radio market has unequivocally served no benefit to listeners, while it as in many cases been a detriment to listeners and communities. Conglomerates like Clear Channel Communications, which was a small regional company before 1996, have taken full advantage of the loosening of radio ownership restrictions brought on by the Telecomm Act to gain a near stranglehold on the national radio market. The company•s position has given it market leader status both in local markets and nationally prompted a rapid •race to the bottom• in the operation of stations.

As documented in a series of articles by journalist Eric Boehlert in Salon (1), Clear Channel has instituted a series of cost-cutting maneuvers that has almost entirely removed the human element from most of its stations, while also re-introducing questionable •pay-for-play• practices that hearken back to the payola scandals of the 1950s. Since 1996 it is not unusual at all for many radio stations to be nearly devoid of a live announcer truly locally-produced programming. Indeed, such massive national ownership has sucked the local out of perhaps the most local of electronic mass media.

I live in the community of Champaign-Urbana, IL, home to the University of Illinois and the number 212 radio market in the country. Since the 1996 Telecomm Act we have seen massive consolidation even in this small market. Four separately owned commercial FM stations, all of which had been locally owned, came under the sole ownership of a single owner, AAA Communications, of Rhode Island. In this shift of ownership the studios of all stations were combined into a single building in Champaign, even though the stations are actually licensed to three different smaller communities in the area. Nearly 2/3 of the combined staff of these stations were eventually let go, and the much of the broadcast day of all these stations was turned over to automation, rather than live announcers.

After attempting to position one of these stations against the highest rated FM station in the area, AAA then decided to simulcast the same program on two FM stations. This was unmistakable reduction in diversity as four stations were effectively reduced to three.

The period after 1996 also saw the purchase of the last locally and independently owned commercial FM station by Saga Communications of Michigan. Incidentally this company also purchased the local weekly paper that it just announced it is shutting down. Saga is the second largest radio owner in the market with 3 stations.

In the post 1996-era even the 212th radio market in the country has seen significant consolidation and reduction in overall public service by non-locally-owned owners. The loosening of radio ownership rules has not served the public interest in Champaign-Urbana, and my knowledge of other radio markets informs that the same or worse conditions exist elsewhere.

I think it is likely that a similar change in the ownership restrictions in television, cable and cross-ownership will only serve further restrict diversity in programming and bring about the consolidation of operations in the name of profit rather than public service.

TV OWNERSHIP AND LOCAL NEWS

If ownership rules on local television stations were to be lifted or loosened it is only logical that we will see the consolidation of local stations. Such consolidation most greatly threatens television news, where the temptation to combine news department and cut staff will be too attractive and profitable to resist. But this is not mere conjecture.

Indeed, this sort of thing has already happened in cities like New York, where the News Corp. owned stations WNEW-TV and WOR-TV have moved closer to having a combined news department, reducing the overall diversity and choice for broadcast news in the nation•s largest city.

More audaciously, Sinclair Communications has recently announced a move to create a national-local news hybrid wherein only small segments of a news broadcast will originate from local stations, which will operate with skeleton news staffs. This comes after Sinclair shut down local news operations at WXLV-TV Winston-Salem, NC, NBC affiliate WTWC-TV Tallahassee, FL, and ABC affiliate KDNL-TV St. Louis, MO (2). Consolidation both nationally and within markets does not serve the interest of an informed public when it results in the gutting and reduction of local broadcast news.

I am particularly concerned about the case of Sinclair Communications because this company owns the NBC affiliate in my local market, WICD-TV. This year I have seen for myself an obvious reduction in on-air staff during the station•s daily newscasts. Most significantly, the station has lost its only licensed meteorologist who has not been replaced • weather duties are now done by an announcer. Given the company•s penchant for cost-cutting, especially in the area of journalism, I fear Sinclair having the opportunity to acquire another television station in this market. Unlike New York, Chicago or Washington, Champaign-Urbana is only served by two local TV newsbroadcasts, and the loss of just one would have a tremendously negative effect on local journalism.

THE IMPORTANCE OF PUBLIC INPUT AND DEMOCRACY
Especially as a student of communications, I am likely more informed about the issues involved in this docket than an average citizen. However, when I discuss these issues with friends, colleagues and acquaintances I am consistently met with expressions of concern and dissatisfaction about the direction of our mass media. Most people I•ve talked to recognize the changes that have happened in their local media in the last ten years, even if they don•t quite know where to place the blame.

Public education and input on the issue of media ownership is absolutely critical, especially in a democracy. If US citizens are to effectively self-govern, they must have access to news and information, and they must know and understand how that news and information is gathered and reported. So important is this access that it is enshrined in the First Amendment of our Constitution. Therefore the question of who gathers and broadcasts this information is one of the most important topics for public discussion, deliberation and debate.

I strongly support the FCC•s plan to hold a public forum on this issue of media ownership in Richmond, VA. But one such forum is far from sufficient. We as a country do not find it sufficient for only one state•s votes to decide who will serve as president • we recognize that the conditions, needs and values of citizens and communities vary from region. How, then, can we believe that only one public forum held just 100 miles away from Washington is enough to inform the FCC about what the nation•s diverse citizenry thinks about the media ownership environment.

Further, such a forum also serves an important educational role, alerting citizens to both the conditions of media ownership and to their rights as listeners and viewers. A public forum puts the FCC and the public into a dialog where perhaps all participants can emerge with a better understanding of our media environment.

Therefore I strongly encourage the FCC to take the lead of Commissioner Michael Copps in holding additional public forums on media ownership throughout the country. I recommend that the Commission attempt to choose locations outside of the largest metropolitan areas so that it might interact with people who rely on relatively fewer media outlets for information and culture.

Public input and discussion is imperative when it comes to the source and distribution of the news and information that informs our daily lives. This is not a simply a decision for business nor just technocrats. It is a decision that affects democracy, and therefore must be subject to democracy.

CONCLUSION

The loosening of ownership restrictions in broadcast media thus far has benefited only those companies who have profited from massive consolidation. And, yet, even some of those companies, like Clear Channel, have found that their enormous acquisitions have not quite paid off in stock price and value like they may have hoped. In either situation local communities suffer. They suffer when local voices and local news disappear and programming is consolidated or even repeated on several local outlets. They suffer when the companies that bought local stations become overextended and are forced to make even more budget and staff cuts.

In the end, local and national media are about service to the public in exchange for the opportunity to profit. Unfortunately that service aspect has suffers and is very well may be lost if ownership rules are loosened or removed. Such a move empowers only a few large corporations at the expense of communities and citizens.

The issue of media ownership deserves and requires further exploration and discussion by the FCC and the public.

Respectfully,

Paul Riismandel

REFERENCES:
(1) Eric Boehlert, "Radio's Big Bully," Salon, March 2001:
http://archive.salon.com/ent/clear_channel/

(2) Dan Trigoboff, "Sinclair retools news," Broadcasting & Cable, Oct. 21, 2002.